



**CITY OF BUCKEYE
COUNCIL WORKSHOP
MAY 17, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
3:00 p.m.**

1. Call to Order/Roll Call

Mayor Meck called the meeting to order at 3:04 p.m.

Members Present: Councilmember Strauss (arrived at 5:34 p.m.), Councilmember Orsborn (excused at 4:27 p.m.; returned at 4:29 p.m.), Councilmember McAchran (excused at 4:06 p.m.; returned at 4:08 p.m.), Councilmember Heustis, Vice Mayor Hess (excused at 5:00 p.m.; returned at 5:03 p.m.), and Mayor Meck.

Members Absent: Councilmember Garza.

Departments Present: City Manager Stephen Cleveland, Assistant City Manager Roger Klingler, City Attorney Scott Ruby, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Finance Director Larry Price, Fire Chief Bob Costello, Human Resources Director Nancy Love, Community Services Director Cheryl Sedig, Public Works Director Scott Lowe, Information Technology Director Greg Platacz, and Intergovernmental Affairs Manager George Diaz.

2. Presentation and discussion of the Proposed 2016/2017 Fiscal Year budget.

Staff Liaison: Larry Price, Finance Director

Mr. Price provided an overview of the proposed Fiscal Year (FY) 2016/2017 budget. A workshop was held May 3, 2016 and based on direction and information provided that date, changes to the proposed budget were made and are included in the proposed budget currently before Council. General Fund sources and uses were displayed and discussed along with a history of fund balances. Budget proposal strategies and practices were reviewed. A history of General Fund balances, revenues, and expenditures, beginning in FY 2004/2005 and ending FY 2014/2015, was presented. Expenditures are growing faster than revenues, however revenues still exceed expenditures. Wage adjustment strategies were reviewed. Strategy B includes a 1.7 percent COLA; strategy C includes a 1.7 percent increase along with a 2 percent merit increase; strategy D includes a 4.34 average wage adjustment; strategy E includes a 5 percent merit increase; and strategy F includes a 1.7 percent bonus for non-eligible employees and a 4.34 percent merit increase for eligible employees. The step system pay structure for Police and Fire was discussed. If each eligible sworn employee were to receive a step increase, the average percentage would be 4.34 percent; there are 232 non-sworn employees eligible for wage increases. A strategy for giving each eligible employee a wage increase was reviewed; in this strategy employees who are at the maximum range of their pay scale would not be eligible for any wage increases. Councilmember Heustis stated his interest in continuing with the pay structure previously adopted without increasing base pay for non-eligible employees; those employees would potentially receive a 1.7 percent one-time bonus. Mayor Meck asked if the estimates presented for wage increases included additional positions. Mr. Price clarified the estimates provided do not include any new positions. Councilmember McAchran stated his request at the previous workshop is reflected in strategy D, to include an average 4.34 percent wage

adjustment for eligible employees. Ms. Love provided clarification regarding the *pay structure* adopted in August 2015 and recommended by Gallagher & Co. Councilmember McAchran requested further information regarding the steps that need to be taken to move forward with the pay structure previously adopted. Ms. Love stated the market study was performed to determine a pay range and structure that is competitive in the market; it is important to move forward with a policy that identifies how employees move through the pay ranges. The current policy states each employee will receive an annual pay increase or step increase based on the financial condition of the City. Vice Mayor Hess asked for clarification regarding adoption of a pay philosophy or pay policy. Ms. Love stated staff intends to bring back before Council a policy that identifies how employees will move through the pay ranges. Ms. Love stated it appears comparator cities will be providing employees with a pay increase that is less than five percent and clarified City of Buckeye employees did not receive a step increase in 2015/2016; annual wage increases were not budgeted as the new pay structure was implemented. Mr. Price provided further clarification regarding wage adjustments in FY 2015/2016. Councilmember McAchran requested further information regarding revenues and expenditures. Mr. Price clarified the purpose and use of the contingency fund; the policy of maintaining a contingency fund that is equal to 25 percent of expenditures was discussed. Mr. Price stated staff would like direction with regard to wage adjustments and/or COLA for inclusion in the budget. Councilmember McAchran and Councilmember Heustis stated strategy D aligns more with the pay policy currently in place. Councilmember Heustis stated it was important to include the 1.7 percent one-time bonus for non-eligible employees. General Fund sources and uses were summarized including staff recommendations; the contingency fund, as currently proposed, represents 22 percent of operating expenditures. Mr. Price stated State Shared Revenue estimates are forthcoming. General Fund proposed transfers were presented and discussed and include an increase in vehicle replacement reserves and a \$1 million pavement maintenance transfer. Future potential contingency requests were discussed. Mr. Price clarified the budget discussed this date is the General Fund budget. State Shared Revenue distributions were discussed; the City conducted a special census and will have the choice to receive distributions based on the special census or the United States Census Bureau population estimates. Moving forward, State Shared Revenue distribution will be estimated annually and will be based on United States Census Bureau population estimates. Councilmember Orsborn stated it was important to maintain policy and not expend more in recurring expenditures than recurring revenues; stated it was important to determine priorities. Mr. Price discussed the importance of determining costs of additional services, to include costs of additional staff. Councilmember McAchran stated he was interested in further information related to each project listed and proposed in the budget. Mr. Cleveland provided information related to projects listed in the proposed budget.

3. Buckeye Main Street Coalition Annual Update

Staff Liaison: Cheryl Sedig, Community Services Director

Ms. Sedig opened the presentation and introduced Laura Serbin of the Main Street Coalition (“Main Street”). Ms. Serbin thanked Mayor and Council for the opportunity to provide a review of FY 2015/2016 activities and achievements. Main Street focuses on the downtown area, to include events that attract residents and businesses. Ron Noble, Main Street Coalition President, provided an overview of projects completed, which include public art for historic downtown Buckeye, branding Main Street, social media efforts, and catalyst grant results. Ms. Charlene Powers discussed the Shop Small event that took place in November, 2016. Mr. Noble discussed the Main Street Mixers that have been held. Ms. Serbin provided information related to the National Main Street Conference that was held in the State of Georgia; stated they will attend the conference scheduled for May, 2016 in Milwaukee. The Arizona Preservation Conference was discussed. Networking events were reviewed. Special events were discussed and include Oktoberfest, Buckeye Days, Fourth of July, and Veterans Day. Mural art was discussed along with possible donations of art. Information was provided regarding Banners for Historic Downtown that would be used for special events. Ms. Powers discussed interest in a community Christmas tree that, if purchased, will be lit at the Glow on Monroe event held each year. Main Street was thanked for their efforts and hard work. General discussion was held regarding positive results of efforts in the downtown area.

4. Council will make a motion to adjourn the meeting.

A motion was made by Councilmember Orsborn and seconded by Vice Mayor Hess to adjourn the meeting at 5:40 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Council Workshop held on the 17th day of May, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk